Issues for Further Study

We would make the following changes in the proposal model for one of four purposes:

1. To bring the modeling assumptions fully in line with the intent of the proposal

- **Benefit Design**
  - Customize the benefit designs used in the model for the private market so that they precisely cover the proposed minimum standard benefit package, varying only on network design and cost-sharing (To simply modeling, two existing Colorado Federal Employee plans were selected to model the non-subsidized part of the private market. However, neither included the level of limited dental, vision and hearing benefits proposed for the minimum standard benefit package. Also, the high-deductible plan was more expensive than intended due to a generous health savings account premium pass-through. We would reduce the premium pass-through to reduce the cost).
  - Make Medicaid and CHP+ packages more synergistic (e.g., add limited dental benefits to all Medicaid beneficiaries).
- **Cost-Savings Options**
  - Include Medicaid managed care savings in model.

2. To modify the proposal to improve it based on what was learned in the first three iterations

- **Additional "Crowd-Out" Provisions**
  - Include strategies (e.g., 6 month waiting periods for CHP Plus or subsidized individual policies) to further reduce crowd-out of employer-based insurance in the proposal.
- **Subsidy Schedule Changes**
  - Address the "cliff effect" (sudden drop-off in enrollment) that occurs in the modeling of the proposal around 350% FPL by raising the subsidy levels for middle income households (350%-400% FPL) to conform to the Lewin's affordability standard.
- **Financing Options/Changes**
  - Recalibrate the provider tax so that it renders private insurance premiums unchanged. As modeled, it had the unintended and unexpected result of increasing premiums.

3. To raise "what-if" questions, the answers to which could guide further refinements of the proposal, or decisions of policy makers

- **Reconsidering the Employer Assessment**
  - Model a higher employer assessment—similar to the current California Governor's and AB-8 reform proposals (i.e., 4% to 7.5% of payroll, respectively)—to evaluate impacts on both ESI coverage and revenues generated, acknowledging that such an approach would increase the risk of an ERISA challenge and business opposition.
  - Model the proposal with no employer assessment (restricting the employer mandate to simply requiring employers to sponsor Section 125 plans).

4. To fill gaps in the scope of the original proposal.

- **Explore comprehensive long-term care (LTC) approaches**